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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

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MEMORANDUM

BOLIVIA: PROBLEMS FOR PADILLA--AN INITIAL ASSESSMENT

Summary

Despite the swift takeover of the Bolivian government by conservative General David Padilla on 24 November, his own administration does not appear strong and the situation does not augur well for stability in South America's most politically turbulent nation. The country is calm on the surface, but the military remains highly politicized and is divided over a return to civilian rule, one of the major issues that led to the ouster of the four-month-old Pereda government. Padilla's decision to form an alliance with a group of junior officers who favor holding national elections early next year has alarmed conservative military leaders, who believe that Bolivia is not ready for civilian rule and who see leftist ex-President Hernan Siles Zuazo as the politician most likely to profit from the proposed election timetable. Both ousted President Pereda and former President Banzer, who has just been dismissed as ambassador to Argentina, have denounced Padilla's actions as irresponsible and are attempting to exploit the differences within the military.

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Padilla's Strengths and Weaknesses

Soon after he removed Pereda from office, General Padilla--who is a political unknown and lacks a national image--announced his plans to hold elections on 1 July 1979 and to inaugurate a civilian government in August. Later the same day, Padilla--as president of a three-man military junta--swore in a cabinet that consisted of representatives from the three armed services and two civilians.

Padilla played a key role in the coup last July that put Pereda in office. His shift in attitude doubtless marks him as a turncoat to his former conservative colleagues in the army, and it is not clear how he is regarded by those officers who participated with him in the latest coup.

If Padilla decides to call his own shots, he will have to make substantial concessions to this group or find a new base of support. If, as is likely, he is unable to assert his authority over the junior officers, he could be easily pushed aside in another palace coup.

Padilla's stated goal is to unify the nation, an objective that consistently eluded his predecessor. The new President has given no indication thus far as to how he intends to deal with the economic and political problems that now confront him.

A key indicator of Padilla's intentions and commitment to hold elections could be his economic program. Bolivia is experiencing serious balance of payments problems with which the previous government had only begun to cope. Although the President has appointed a respected conservative banker as finance minister, he could easily delay implementation of the unpopular austerity measures that have been recommended by the International Monetary Fund until after the elections. Such a course would deplete the scant reserves now remaining, creating serious economic difficulties for any civilian government. On the other hand, if Padilla were to succeed in restoring Bolivia to a sound financial basis

without antagonizing potentially violent groups, such as the Bolivian peasants or miners, he would gain the confidence and political support of business groups and possibly could be persuaded to become a candidate himself.

Padilla has won the support of the major political parties by his promise of early elections, but he will soon be under pressure to revise electoral procedures to prevent fraud and to allow campaigning to begin immediately. Moreover, the politician most likely to win an open contest is Siles Zuazo, who was the leading civilian candidate in the vote count last July before the election was annulled. Siles Zuazo is regarded by many military leaders as a dangerous radical who could easily form close ties with Fidel Castro and other world Communist leaders.

Further complicating Padilla's short-term prospects is former President Banzer's announcement that he intends to participate in the political process, possibly becoming a presidential candidate next year. He has already been nominated by the small Social Christian Party. Padilla will have to play Banzer carefully. The former president is widely respected; his seven-year tenure as chief executive brought stability and a considerable measure of economic development to the country. Moreover, Banzer has wide support among conservative military officers who would find him a palatable alternative to Siles Zuazo.

The greatest potential threat to Padilla's remaining in office comes from the Bolivian armed forces, since he has undercut his former base of conservative support. The military is deeply divided between those officers who believe that they should retire from politics and revitalize their professionalism, and those who fear that elections will breed more political instability and probably bring a leftist or Marxist government to power. These tensions worked to undermine Pereda's government and have not been quieted by Padilla's seizure of power.

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Prospects

The chief preoccupation of all Bolivian presidents since independence has been to stay in power, and Padilla will be no exception. Much will depend upon his ability to build a firm base of support within the armed forces, which is his primary constituency. If Padilla succeeds in eliminating the potential threat from generally conservative military hardliners, he may be able to follow through on his pledge of elections.

There will be many problems to overcome, however. The time available between now and elections early next year does not appear sufficient to develop an effective mechanism that would ensure widespread participation by Bolivia's highly disparate and unsophisticated electorate. Indeed, the unsettling nature of a political campaign alone may be sufficient cause for yet another coup in Latin America's least stable nation.

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